

**NORTH CAROLINA EDUCATION LOTTERY
COMMISSION MEETING**
July 11, 2006

Meeting Minutes

Commissioners in Attendance: Dr. Charles Sanders, Chair
Robert Farris
Linda Carlisle
Bridget-Anne Hampden
Max Cogburn
Robert Appleton
Dr. James Woodward
Secretary Bryan Beatty

Commissioners not in Attendance: John McArthur

Meeting was held on July 11, 2006 at 1:00 p.m. in the ABC Commission Room in the Administration Building located on 116 West Jones Street.

I. Introduction and Opening

- Dr. Sanders called the meeting to order by reiterating the Commission's firm commitment to serving the people of North Carolina, by providing funds for education which should truly be additive and supplemental.

II. Approval of Minutes

- Ms. Hampden made the motion to approve the minutes of the June 13 meeting with the correction that Secretary Beatty was in attendance.
- Secretary Beatty seconded the motion.
- The minutes were approved.

III. Tuition Reimbursement Policy

- Mr. Shaheen introduced Margaret Bode, Human Resources Director.
- Ms. Bode reviewed the Tuition Reimbursement Policy with the Commission. She noted that fees mandated by the various educational institutions would be covered under the policy.
- It was decided to clarify the language referring to terminations to read that employees *terminated for cause* will not be reimbursed for tuition.

- Secretary Beatty made the motion to approve the Tuition Reimbursement Policy with the change.
- Mr. Farris seconded the motion.
- The motion was approved.

IV. Fingerprint Policy

- Jerry Carter, Director, Security, presented the Fingerprint Policy to the Commission.
- There was discussion regarding how the policy affects retailers and its use during the employment process. Ms. Bode explained the process the North Carolina Education Lottery (NCEL) uses to handle derogatory information obtained through background investigations.
- It was determined that the Fingerprint Policy be tabled until the next meeting, pending legal review.

V. Employee Merit Compensation

- Mr. Shaheen stated that the policy compensates employees based on a merit performance plan. He noted that the purpose of the plan was to motivate employees to add value to the organization. It was noted that NCEL employees would not be included in the state employee legislated increase.
- Mrs. Bode reviewed the Employee Merit Compensation Policy with the Commission and highlighted the process that will be followed related to the employee performance evaluations. She stated that all supervisors will be trained how to evaluate employees. All employees will also be familiarized with the forms and the steps involved.
- Dr. Sanders informed the Commission that the Personnel Committee had reviewed the policy and recommends its approval as presented.
- Mr. Cogburn moved to accept the Employee Merit Compensation package as presented.
- Dr. Woodward seconded the motion.
- The motion was approved.

VI. Sales Incentive Plan

- Mr. Shaheen introduced the Sales Incentive Plan noting that the members of the sales force were hired at a rate below the state-wide median salary range for that profession. He stated the NCEL will offer an incentive plan to bring their salaries to the median level by requiring them to meet or exceed sales goals.
- Sam Hammett, Director, Sales discussed the need for an incentive plan. He shared with the Commission the responsibilities of the sales staff and how their efforts directly impact the success of the lottery.
- Ms. Carlisle made the motion to accept the Sales Incentive Plan.
- Mr. Farris seconded the motion.
- The motion was approved.

VII. New Game Recommendation

- Mr. Shaheen introduced two new computerized games. He indicated that players are regularly asking about the new games and when they might be available. He noted that retailers will be required to attend training for the games. The five digit game will be called Carolina Cash 5, the three digit game will be called Carolina Pick 3. Mr. Shaheen described the games, the prizes and how to play.
- Mr. Farris made the motion to approve the games Carolina Pick 3 and Carolina Cash 5.
- Ms. Hampden seconded the motion.
- The motion was approved.

VIII. Other Business

- Mr. Shaheen discussed the sales to date and the trend of lottery sales during the summer months.
- He stated that the NCEL will be issuing an RFP for drawing machines and ball sets for the new games.

The meeting was adjourned.